

Canadian Cottons Limited

MONTREAL, CANADA

TWELFTH ANNUAL REPORT FOR YEAR ENDING 31st MARCH, 1922

PRESENTED TO THE SHAREHOLDERS
AT THE ANNUAL MEETING OF THE COMPANY
HELD AT MONTREAL, THE 22ND MAY, 1922

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BOARD OF DIRECTORS

President

CHAS. R. HOSMER

Vice-President

A. O. DAWSON

HON. F. L. BEIQUE, K.C. A. A. MORRICE
GEORGE CAVERHILL SIR H. MONTAGU ALLAN
W. J. MORRICE

A. O. DAWSON, *Managing Director*

A. BRUCE, *Secretary-Treasurer*

Canadian Cottons

Limited

TO THE SHAREHOLDERS :

THE Directors herewith submit to the shareholders their Twelfth Annual Report for the year ending 31st March, 1922.

We look back on a year of unusual difficulties and of exceptional conditions. Not only had inventories to be written down, but, in addition, the Mills for the first full six months period had to operate on short time and at declining prices.

On the other hand, in consequence of an abnormally small cotton crop last season, the market made a very heavy advance. We were fortunate in having on hand at the time a fairly large supply of raw material, which, together with the benefits obtained from the increased plant and equipment installed in recent years, has enabled us to show what we consider satisfactory results.

After making provision for Depreciation and Government Taxes, the Profits and Interest on Investments amount to \$668,572.47 and are disposed of as follows:

Bond Interest and Exchange on Coupons	-	\$176,934.70
Dividends on Preferred and Common Stock		436,930.00
Bad Debts written off	- - - - -	30,491.00
Carried to Profit and Loss Account	- -	24,216.77
		\$668,572.47

It would be difficult, as well as useless, to forecast the future, knowing that the prosperity of your business, like all other industries, is dependent upon improved conditions, and as the outlook is encouraging, your Directors are therefore hopeful of the future of your Company.

Your Directors desire to acknowledge the loyal and hearty co-operation of the staff and employees throughout a trying period.

The Books and Accounts of the Company have been duly audited, and the Auditor's report is submitted herewith.

Respectfully submitted,

CHARLES. R. HOSMER,

President.

Canadian Co

MANUFACTUR

FOR YEAR ENDING

DR.

To Raw Material, Manufacturing Cost, Marketing of Products, Administration, Repairs, Replace- ments, Maintenance, Depreciation and Govern- ment Taxes to date. - - - - -	\$7,658,050.89
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To Balance	
Net Profits to Profit and Loss Account - -	575,226.84
	<u>\$8,233,277.73</u>

PROFIT AND I

FOR YEAR ENDING

To Bond Interest on net amount outstanding and exchange on Coupons - - - -	\$176,934.70	
Four Dividends of $1\frac{1}{2}\%$ each on Preferred Shares - -	219,690.00	
Four Dividends of 2% each on Common Shares - -	<u>217,240.00</u>	\$613,864.70
Bad Debts - - - -		30,491.00
Balance forward - - -		<u>24,216.77</u>
		<u>\$668,572.47</u>

ons, Limited

NG ACCOUNT

31ST MARCH, 1922

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By Sales - - - - - \$8,255,625.57

Add inventory of Cloth and Cotton in process of
Manufacture, 31st March, 1922 - - - 950,380.16
\$9,206,005.73

Less inventory of Cloth and Process on hand
31st March, 1921 - - - - - 972,728.00
\$8,233,277.73

LOSS ACCOUNT

31ST MARCH, 1922

By Net Manufacturing Profits - - - - - \$575,226.84

By Interest on Investments - - - - - 93,345.63
\$,668,572.47

Canadian Cotton

GENERAL

YEAR ENDING

ASSETS

Cash	-	-	-	-	-	\$ 138,263.88
Book Debts, net cash basis, Bills						
Receivable and Sundry Open						
Accounts	-	-	-	-	-	1,448,394.49

Inventory of

Cloth	-	-	-	-	-	\$713,715.12
Process and Yarns						236,665.04
Raw Cotton	-	-	-	-	-	696,444.12
Supplies	-	-	-	-	-	170,796.18
Insurance unearned						80,000.00
						<u>1,897,620.46</u>

Dominion War Loan Bonds	-					<u>122,000.00</u>
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Total Current Assets \$3,606,278.83

Bonds, in Treasury and for Sinking						
Fund	-	-	-	-	-	1,001,685.98

Stocks in other Companies	-	-				309,778.52
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Bonds, being proceeds of properties						
sold	-	-	-	-	-	1,525,000.00

PROPERTIES

Mills, Properties, Plants, Waterpowers, etc.	-					<u>10,104,196.72</u>
						<u>\$16,546,940.05</u>

Montreal, 5th May, 1922

Verified, ARTHUR H. PLIMSOLL, F.C.A. (Can.), Auditor.

tons, Limited

STATEMENT

31st MARCH, 1922

LIABILITIES

Bank Advances	-	-	\$ 868,582.10
Open Accounts including Estimated			
Tax Reserve	-	-	- 1,039,577.48
Bond Interest accrued and Divi-			
dends payable April 4th	-	-	145,712.50
Bills payable	-	-	- 230,445.51
Total Current Liability			\$2,284,317.59

BONDS - - - - - 5,000,000.00

Less Redeemed - - - 558,668.33

4,441,331.67

CAPITAL

Preferred Authorized,
\$4,500,000.00 - - Issued 3,661,500.00

Common Authorized,
\$3,500,000.00 - - Issued 2,715,500.00

Reserve for Bad Debts - - 100,000.00

Reserve for Special Replacements 600,000.00

SURPLUS

Balance at Credit of Profit and
Loss, 31st March, 1921 - 2,720,074.02

Balance of Profits to
31st March, 1922 24,216.77

2,744,290.79

INDIRECT LIABILITIES

\$16,546,940.05

Customers' paper under discount \$256,142.02

C. R. HOSMER }
A. O. DAWSON } Directors.

A. BRUCE,
Secretary-Treasurer.

AUDITOR'S CERTIFICATE

I have examined the Books and Accounts of Canadian Cottons, Limited, for the year ending the 31st March, 1922.

I have obtained all the information and explanations required, and now certify that, in my opinion, the foregoing statements and balance sheet are properly drawn up so as to exhibit a true and correct view of the year's operations and of the state of the Company's affairs at its close, according to the best of my information and the explanations given to me and as then shown by the books of the Company.

ARTHUR H. PLIMSOLL,
F.C.A. (Can.)

Montreal, May 5th, 1922.

